



SACHI A. HAMAI
Chief Executive Officer

County of Los Angeles CHIEF EXECUTIVE OFFICE

Kenneth Hahn Hall of Administration
500 West Temple Street, Room 713, Los Angeles, California 90012
(213) 974-1101
<http://ceo.lacounty.gov>

"To Enrich Lives Through Effective And Caring Service"

Board of Supervisors
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MARK RIDLEY-THOMAS
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Fifth District

October 25, 2016

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

27-D October 25, 2016

LORI GLASGOW
EXECUTIVE OFFICER

**AMENDMENT NO. 2 TO LEASE NO. 65436
AND ORDER PUBLICATION OF NOTICE OF INTENTION
TO EXERCISE OPTION TO PURCHASE AND
ACCEPT THE TRANSFER OF TITLE TO ACQUIRE REAL PROPERTY
251 E. AVENUE K-6, LANCASTER
(FIFTH DISTRICT)
(3 VOTES)**

SUBJECT

Approval of the recommended actions will extend the term of Lease No. 65436 for approximately 1.35 acre parcel of land improved with a 15,200 square feet building with appurtenant parking spaces located at 251 E. Avenue K-6 in the City of Lancaster (Property) to February 28, 2017; will authorize publication of a notice of intention; and exercise of an option to purchase the real property.

IT IS RECOMMENDED THAT THE BOARD:

1. Find that the proposed lease amendment is categorically exempt from the provisions of the CEQA pursuant to Class 1 of the Environmental Document Reporting Procedures and Guidelines per Section 15301 of CEQA (Existing Facilities).
2. Find that the lease amendment, commencing November 1, 2016, will allow the County to continue uninterrupted services at the Property and provide additional time to return to the Board to exercise the County's option to purchase the Property under the lease.

3. Approve and Instruct the Chair to sign the lease amendment to extend the term of the lease with Frank A. Visco, for the Assessor's Office, Departments of Mental Health and the Children and Family Services to continue occupancy of approximately 1.35 acre parcel of land improved with a 15,200 square feet building with appurtenant parking spaces located at 251 E. Avenue K-6 in the City of Lancaster (Property), at no rental cost to the County.
4. Delegate authority to the Chief Executive Officer, or her designee, to execute any other documents needed to effectuate the Lease extension and purchase of the Property.
5. Consider the Negative Declaration for which no comments were received during the public review process and find on the basis of the whole record before the Board that this project of acquiring a currently County-leased building will not have a significant effect on the environment, find that the Negative Declaration reflects the independent judgment and analysis of the Board, and adopt the Negative Declaration. Find on the basis of the whole record that the project will have no effect on fish and wildlife, and instruct the Chief Executive Officer, or her designee, to complete and file the appropriate determination forms as to the project;
6. Approve the Notice of Intention to exercise the County's option to purchase an approximately 1.35 acre parcel of land improved with a 15,200 square feet building located at 251 E. Avenue K-6, in the City of Lancaster from the Seller, Frank Visco, for the purchase price of \$1.00.
7. Instruct the Executive Officer of the Board of Supervisors to publish the Notice of Intention in accordance with Government Code Sections 6063 and 25350.
8. Set a date for a public hearing in January 2017 to consummate the proposed acquisition.

AT THE CONCLUSION OF THE PUBLIC HEARING, IT IS RECOMMENDED THAT THE BOARD:

1. Order the purchase to be consummated for the continuing and necessary use by the County departments currently occupying the Property, in accordance with Government Code Section 25353, and exercise the option to purchase the property for \$1.00, plus title and escrow fees of approximately \$7,500.
2. Authorize the Chief Executive Officer, or her designee, to take all further actions necessary and appropriate to complete the transaction, including exercising the County's option to purchase the property, open and manage escrow, make any necessary adjustments to the transfer documents, and execute the requisite documentation for the completion of the transfer.
3. Authorize the Auditor-Controller to issue warrants as directed by the Chief Executive Office for the purchase price and any other related transactional costs.
4. Instruct the Assessor's Office to remove the subject property from the tax roll, effective upon the transfer of title.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

On September 10, 1991, the County entered into a 25-year lease with property owner, Frank Visco for the lease of 251 E. Avenue K-6, in the City of Lancaster (Property). The Property is currently leased entirely by the County and is occupied by the Departments of Mental Health, Children and Family Services (DCFS), and the Assessor. As stated in the 1991 Board-approved lease, prior to the expiration of the 25-year term, currently set to occur on October 31, 2016, the County has the exclusive option to purchase the fee simple title to acquire the Property.

The Landlord has requested to extend the Lease until February 28, 2017, in order to address his unforeseen tax issues. The County will not be impacted by granting this extension because the payment of the monthly rent of \$18,816.50 will no longer be an obligation after October 31, 2016. The Board's approval of the attached Amendment No. 2 to Lease No. 65436 will extend the term of the Lease until February 28, 2017.

Prior to the expiration of the lease, the parties would enter into an Escrow Agreement to open escrow to consummate the transfer of title, deposit the County's \$1.00 purchase price into escrow, order and review all necessary title documents, satisfy any and all secured debts and liens encumbering title to the Property, and to fulfill the County's obligations associated with the acquisition.

Implementation of Strategic Plan Goals

The Countywide Strategic Plan Goal of Fiscal Sustainability (Goal 2) directs that we strengthen and enhance the County's capacity to sustain essential County services through proactive and prudent fiscal policies and stewardship. Approving the proposed actions is consistent with that goal in that the extension of the lease with the goal of acquiring the Property for its continued County use will provide a valuable asset to County.

FISCAL IMPACT/FINANCING

The current lease for the Property is a triple net lease whereby the County is responsible for all utilities, operating, and maintenance costs. The current lease payments have been included in each Fiscal Year's Rent Expense Budget and billed to each department occupying space accordingly. Rent payments shall cease to be paid on October 31, 2016 and the County will not be responsible for rent payments during the term extension. Upon the County becoming owner of the Property, each department will pay its pro rata share of utility and maintenance expenses based on their space usage as stated in the Chief Executive Office (CEO), Real Estate Division's Space Assignment Notice.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

A preliminary title report has been prepared, which reveals no claims or encumbrances which would significantly affect or impair the Property's title. Additionally, as required by Government Code Section 65402, notice of the proposed acquisition was submitted to the City of Lancaster Planning Department. The Lancaster Planning Department has determined that the use is in compliance with its General Plan. A Phase I Environmental Assessment was completed, and concluded that there is no evidence of recognized environmental conditions to address or mitigate. CEO, with the assistance of DPW, has satisfactorily completed their due diligence with respect to the acquisition of the property.

Section 25353 of the California Government Code allows the Board to acquire real property for use of the County for County buildings or for other public purposes. Pursuant to Government Code Sections 6063 and 25350, a Notice of Intention will be published for the intended action to purchase real property, and a Public Hearing will be held for the Board to receive comments prior to consummating the acquisition.

County Counsel has reviewed the Lease Amendment, Escrow Agreement, and Grant Deed related to the proposed acquisition. County Counsel has approved them as to form.

ENVIRONMENTAL DOCUMENTATION

The CEO has concluded that the lease amendment is exempt from the California Environmental Quality Act (CEQA) as specified in Class 1 of the Environmental Document Reporting Procedures and Guidelines adopted by the Board of Supervisors, and Section 15301 of the State CEQA Guidelines (Existing Facilities).

CEO has completed an Initial Study of Environmental Factors for the acquisition of the Property in compliance with the California Environmental Quality Act (CEQA). The Initial Study showed that there is no evidence that the acquisition of the Property will have a significant impact on the environment.

Based on the Initial Study, a Negative Declaration has been prepared and a notice posted at the Property as required by CEQA Guidelines Section 15072. No comments were received during the public review period. Copies of the completed Initial Study, the resulting Negative Declaration, and the Notice of Intent to Adopt a Negative Declaration, as posted, are attached. Upon a finding by the Board that the proposed acquisition will have no effect on fish and wildlife, CEO will submit a no effect determination request to the California Department of Fish and Game, and thereafter file the appropriate determination documentation with the Registrar-Recorder/County Clerk.

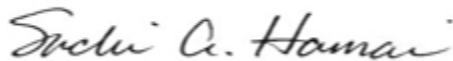
IMPACT ON CURRENT SERVICES (OR PROJECTS)

Approval of these actions will not impact County services.

CONCLUSION

It is requested that the Executive Office, Board of Supervisors return a signed original of the Lease Amendment and the adopted, stamped copy of the Board letter to the Chief Executive Office, Real Estate Division, 222 South Hill Street, 3rd Floor, Los Angeles, CA 90012, for further processing. Additionally, please forward one adopted, stamped copy of the Board letter to the Departments of Children and Family Services, Assessor's and Mental Health.

Respectfully submitted,



SACHI A. HAMAI
Chief Executive Officer

SAH:DPH:CMM
KW:RH:ls

Enclosures

c: Executive Office, Board of Supervisors
County Counsel
Auditor-Controller
Assessor
Children and Family Services
Mental Health

-ON May 12 2016

UNTIL June 13 2016

REGISTRAR – RECORDER/COUNTY CLERK

DATE POSTED – May 12, 2016



2016 117764

FILED
May 12 2016

Deen C. Logan, Registrar – Recorder/County Clerk

Electronically signed by TODD TRAN

NOTICE OF INTENT TO ADOPT A NEGATIVE DECLARATION

Department Name: Chief Executive Office
Project Title: Acquisition of Improved Property

This notice is provided as required by the California Environmental Quality Act and California Administrative Code Title 14 Division 6, Section 15072 (a) (2) B.

A Negative Declaration has been prepared for this site based on an Initial Study which consists of completion and signing of an Environmental Information Form showing background information as follows:

1. Name of Proponent - County of Los Angeles
Chief Executive Office
2. Address/Phone No. - 222 South Hill Street, 3rd Floor
Los Angeles, California 90012

<u>Agent</u>	<u>Telephone</u>
Roger Hernandez	(213) 974-4208
3. Date Information Form Submitted – May 12, 2016
4. Agency Requiring Information Form - Los Angeles County
Chief Executive Office
Real Estate Division
5. Address of Facility Involved – 251 E. Avenue K-6
Lancaster, CA 93535
6. Description of Project- The proposed project is for the County of Los Angeles to acquire a 1.35 acre improved parcel located at 251 E. Avenue K-6, Lancaster, CA 93535.
7. Finding for Negative Declaration- It has been determined that this project will not have a significant effect on the environment.

Interested parties may obtain a copy of the Negative Declaration and the completed Environmental Information Form/Initial Study by contacting the Real Property Agent indicated under 2 above and referring to the proposal by name or to the facility by address.

Si necesita informacion en espanol, por favor de comunicarse con Roger Hernandez, para asistencia en obtener una traduccion a el numero (213) 974-4208.

COUNTY OF LOS ANGELES
CHIEF EXECUTIVE OFFICE

Dean C. Logan, Registrar – Recorder/County Clerk

Electronically signed by TODD TRAN

COUNTY OF LOS ANGELES ACQUISITION OF PROPERTY

NEGATIVE DECLARATIONI. Location and Description of the Project

The proposed project is for the County of Los Angeles to acquire an approximately 1.35 acre improved parcel of land containing a 15,200 sq. ft. building located at 251 E. Avenue K-6 in the City of Lancaster, for its continued office use.

II. Finding of No Significant Effect

Based on the attached initial study, it has been determined that the project will not have a significant effect on the environment.

III. Mitigation Measures

None required.

Environmental Checklist Form

1. **Project Title:** Acquisition of Improved Property
2. **Lead Agency:** County of Los Angeles
3. **Contact Person and Address:** Roger Hernandez, 213-974-4208
4. **Project Location:** 251 E. Avenue K-6, Lancaster, CA 93535
5. **Project Sponsor's Name and Address:** County of Los Angeles, Chief Executive Office,
222 S. Hill St., 3rd Floor Los Angeles, CA 90012
6. **General Plan Designation:** Light Industrial, Lancaster Business Park, City of Lancaster
7. **Zoning:** Light Industrial
8. **Project Background and Description:** The proposed project is for the County of Los Angeles to acquire an approximately 1.35 acre improved parcel of land containing a 15,200 sq. ft. building located at 251 E. Avenue K-6 in the City of Lancaster, for its continued office use by the County of Los Angeles.
9. **Surrounding Land Uses and Setting:** Commercial
10. **Discretionary Approvals:** N/A

ENVIRONMENTAL FACTORS POTENTIALLY AFFECTED

The environmental factors checked below would be potentially affected by this project, involving at least one impact that is a "Potentially Significant Impact" as indicated by the checklist on the following pages.

- | | | |
|-----------------------------------------------------|-------------------------------------------------------------|-------------------------------------------------------------|
| <input type="checkbox"/> Aesthetics | <input type="checkbox"/> Agriculture and Forestry Resources | <input type="checkbox"/> Air Quality |
| <input type="checkbox"/> Biological Resources | <input type="checkbox"/> Cultural Resources | <input type="checkbox"/> Geology and Soils |
| <input type="checkbox"/> Greenhouse Gas Emissions | <input type="checkbox"/> Hazards and Hazardous Materials | <input type="checkbox"/> Hydrology and Water Quality |
| <input type="checkbox"/> Land Use and Planning | <input type="checkbox"/> Mineral Resources | <input type="checkbox"/> Noise |
| <input type="checkbox"/> Population and Housing | <input type="checkbox"/> Public Services | <input type="checkbox"/> Recreation |
| <input type="checkbox"/> Transportation and Traffic | <input type="checkbox"/> Utilities and Service Systems | <input type="checkbox"/> Mandatory Findings of Significance |

DETERMINATION (To be completed by Lead Agency)

On the basis of this initial evaluation:

I find that the proposed project COULD NOT have a significant effect on the environment, and a NEGATIVE DECLARATION will be prepared.	X
I find that, although the proposed project could have a significant effect on the environment, there will not be a significant effect in this case because the mitigation measures described on an attached sheet have been added to the project. A MITIGATED NEGATIVE DECLARATION will be prepared.	
I find that the proposed project MAY have a significant effect on the environment, and an ENVIRONMENTAL IMPACT REPORT is required.	
I find that the proposed project MAY have a "potentially significant impact" or "potentially significant unless mitigated" impact on the environment, but at least one effect 1) has been adequately analyzed in an earlier document pursuant to applicable legal standards, and 2) has been addressed by mitigation measures based on the earlier analysis as described on attached sheets. An ENVIRONMENTAL IMPACT REPORT is required, but it must analyze only the effects that remain to be addressed.	
I find that although the proposed project could have a significant effect on the environment, because all potentially significant effects (a) have been analyzed adequately in an earlier EIR or NEGATIVE DECLARATION pursuant to applicable standards, and (b) have been avoided or mitigated pursuant to that earlier EIR or NEGATIVE DECLARATION, including revisions or mitigation measures that are imposed upon the proposed project, nothing further is required.	



Roger W. Hernandez
Senior Real Property Agent
Chief Executive Real Estate Division

6/12/2016
Date

County of Los Angeles
Initial Study

Acquisition of Improved Property, 251 E. Avenue K-6 Lancaster, CA 93535
6/12/2016

**AMENDMENT NO. 2 TO LEASE NO. 65436
251 E. AVENUE K-6, LANCASTER
ASSESSOR, CHILDREN AND FAMILY SERVICES AND
MENTAL HEALTH DEPARTMENTS**

This Amendment No. 2 to Lease No. 65436 is made and entered into this 25th day of October, 2016, by and between FRANK A. VISCO, referred to as "Lessor", and the COUNTY OF LOS ANGELES, a body politic and corporate, hereinafter referred to as "Lessee".

WHEREAS, the COUNTY OF LOS ANGELES, as Lessee, has entered into that certain Lease dated September 10, 1991 (the "Lease"), as amended April 8, 2008, for approximately 10,000 square feet of office space together with 50 adjacent surface parking spaces and,

WHEREAS, in 1993, the Parties entered into that certain agreement to lease an additional 5,300 square feet of office space together with an additional 25 adjacent surface parking spaces for Lessee's exclusive use located at the northeast corner of Gingham Avenue and Avenue K-6, Lancaster, as legally described in Exhibit "A" attached hereto (the "Land and Improvements") for Lessee's exclusive use, and

WHEREAS, in 2008, the Parties entered into that certain amendment to amend certain sections of the lease, including but not limited to the repair, maintenance, and replacement provision and the tenant improvements provisions of the Lease, and

WHEREAS, the parties are now desirous to amend the Lease agreement, to extend the term of the Lease from the last day of October 2016 to the last day of February 2017 and to extend the option to purchase term, as stated in Section 17 of said Lease from the last day of October 2016 to the last day of February 2017 or sooner, effective upon approval by the Board of Supervisors of the County of Los Angeles, and,

NOW, THEREFORE, in consideration of the foregoing recitals, which are hereby deemed a contractual part hereof and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and the rents, covenants and agreements herein contained, the Lessor and Lessee hereby agree as follows:

1. **Section 2, TERM** of the Lease shall be amended by adding the following:

The term of the Lease is hereby extended such that it shall expire on the last day of February 28, 2017.

2. **Section 3, RENT** of the Lease shall be amended by addition of the following:

Lessee shall not make any rental payments following October 31, 2016. Lessee shall continue to be responsible for its insurance requirements as further described in Section 15 of said Lease and Lessee shall continue to be responsible for its pro-rata share of all real property taxes, assessments, and special assessments, as further described in Section 16 of said Lease.

All other terms and conditions of the Lease shall remain the same and in full force and effect.

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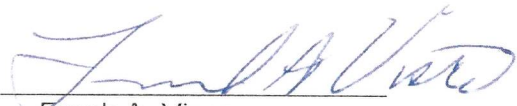
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IN WITNESS WHEREOF, the Lessor has executed this Amendment or caused it to be executed, and the County of Los Angeles by order of its Board of Supervisors, has caused this Amendment to be executed on its behalf by the Chair of said Board and attested by the Clerk thereof the day, month, and year first above written.

LESSOR:

FRANK A. VISCO

By: 
Frank A. Visco

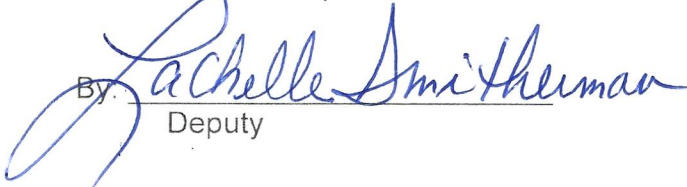
LESSEE:

COUNTY OF LOS ANGELES
A body politic and corporate

By: 
Chair, Board of Supervisors

ATTEST:

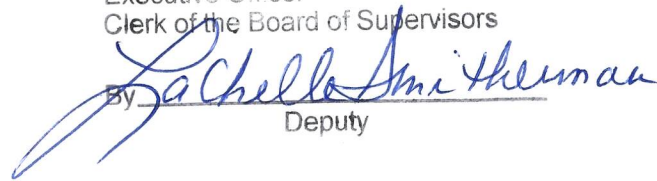
LORI GLASGOW
Executive Officer-Clerk
of the Board of Supervisors

By: 
Deputy



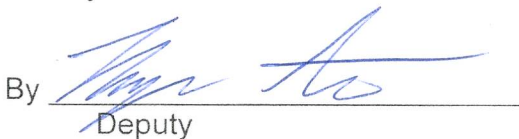
I hereby certify that pursuant to
Section 25103 of the Government Code,
delivery of this document has been made.

LORI GLASGOW
Executive Officer
Clerk of the Board of Supervisors

By: 
Deputy

APPROVED AS TO FORM:

MARY C. WICKHAM
County Counsel

By: 
Deputy

ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

27-D

OCT 25 2016


LORI GLASGOW
EXECUTIVE OFFICER

65436 Supplement No. 2